



Instr: 201002190005083 02/19/2010
P: 1 of 6 F: \$80.00
Rick Campbell 1:44PM LERS
Stark County Recorder T20100005011

335

Above space for official use only

01/25/10-1

NON-DEVELOPMENT OIL & GAS LEASE

THIS LEASE, made this 4th day of January, 2010, by and between
City of Massillon
151 Lincoln Way East
Massillon, Ohio 44646
hereinafter called Lessor, and *Ohio Valley Energy Systems Corp., 200 Victoria Rd. Bldg. 4 Austintown, Ohio 44515*
hereinafter called Lessee, do agree:

1. Lessor, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, grants and leases Lessee all the oil and gas in the lands described below, with the exclusive right to operate for, produce and market the same from a well or wells on other lands; the right to unitize Lessor's lands, or any portion, with other lands into a drilling unit of no more than one hundred sixty acres, together with the right to pool, reform, enlarge and/or reduce such pool, and repool all or any part or parts of the leased premises. This Lease is for five (5) years, and as long thereafter as operations are being conducted on any such unit or oil or gas can be produced in paying quantities in Lessee's judgment from any such unit. Lessee and Lessor agree that the term "operations" as defined in this Lease shall mean at which time Lessee has filed an Application for Drilling Permit with the Ohio Department of Natural Resources Division of Mineral Resources Management. This lease covers all of Lessor's land in or adjoining Section 4 and 5, of Perry Township, Section 32 of Jackson Township, Stark County, State of Ohio, containing 15.76 acres, more or less, and described as follows:

See "Property Description" and "Plot Plan" attached hereto and made a part hereof, of the Stark County Records.

2. Lessor shall be paid as royalties a proportional share of one-eighth (1/8) of the proceeds realized by Lessee on all the oil and gas sold commercially off the unit, as the amount of Lessor's acreage in the unit bears to the total acreage in the unit. Such proceeds shall be net of severance, ad valorem and any other taxes or charges levied against production. Lessor grants Lessee the authority to execute division orders or contract for the sale of gas or oil.

3. **No well shall be drilled on Lessor's property, nor shall Lessee enter upon or install any surface installation of any nature whatsoever on the leased property, the within Lease being granted solely for the purpose of permitting the Lessee to unitize the leased property with other properties, which other properties shall bear all the burden of surface development.** Lessor understands and gives consent that, due to slant (directional) drilling originating from surface entry on a parcel not owned by Lessor, the wellbore may pass through or terminate below the surface of Lessor's property. This directional drilling condition is granted exclusively to Lessee.

4. This lease shall be binding on all heirs, personal representatives, successors, and assigns of Lessor and Lessee. No change of ownership shall be binding on Lessee until Lessee has received adequate evidence of transfer. If the leased land is hereinafter owned in separate tracts, the premises, nevertheless, shall be treated as an entirety and all payments due shall be paid proportionally to each separate owner, and if Lessor owns less than the entire fee, Lessor shall be paid only his proportional share of any payment due. Lessee may at any time surrender this Lease in whole or in part.

5. Lessor hereby warrants and agrees to defend title to the land herein described and agrees that Lessee, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the said lands and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself from any payments due hereunder. Should Lessee be delayed or prevented from complying with any express or implied covenant of this Lease, from conducting any drilling or any other operations, or from producing oil or gas therefrom by reason of the operation of force majeure or any federal, state or local law or regulation, or by reason of any other cause beyond the control of Lessee, then while so delayed or prevented, Lessee's obligations to comply with such covenant or obligation shall be suspended. The term, both primary and secondary, hereof shall be extended while Lessee is delayed or prevented by any such cause.

6. It is mutually agreed that this instrument contains and expresses all of the agreements and understandings of the parties in regard to the subject matter thereof, that no verbal representations or promises have been made or relied upon by either party which are not contained herein, and no implied covenants, agreements or obligation shall be read into this agreement or imposed upon either party.

7. Lessee agrees to make payment to Lessor a sum of \$ 7,900.00 payable upon drilling commencement activities (spudding).

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8. Lessee agrees to release all lands leased hereunder not included in a drilling and spacing unit at the end of the primary term of this non development oil and gas lease.

Lessor(s):

Michael J. Loudiana
Michael J. Loudiana
Director of Public Service and Safety

Social Security # _____

STATE OF OHIO)

)SS:

COUNTY OF STARK)

The foregoing instrument was acknowledged before me this 4th day of JANUARY, 2010 by Michael J. Loudiana, Director of Public Service and Safety (Lessor).

My Commission Expires: _____

TRACEE G. WARD
NOTARY PUBLIC, STATE OF OHIO
MY COMM. EXPIRES SEPT. 30, 2014

Tracee G. Ward
Notary Public

This instrument prepared by:
Version 041307
121609

Ohio Valley Energy Systems Corp.
200 Victoria Rd, Bldg 4
Austintown, OH 44515



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6/29/2009

Plot Plan

Massillon Lease Area

Operator: Ohio Valley Energy Systems Corp.
 County: Stark
 Township: Perry (City of Massillon)

Property lines shown were taken from the County Auditor Records and have not been verified for accuracy

SCALE: 1" = 400'



PROPERTY DESCRIPTION

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Attached hereto and made a part hereof that certain Non-Development Oil and Gas Lease by and between the City of Massillon, 1 James Duncan Plaza SE, Massillon, Ohio, City of Massillon, as Lessor and Ohio Valley Land and Exploration, L. L. C., 200 Victoria Road- Building 4 Austintown, Ohio 44515, as Lessee dated the 4 day of January, 2009.
2010

Stark County Ohio
Township 10 North, Range 9 West
Perry and Jackson Townships
City of Massillon

Hills and Dales Road, N.W.

Beginning at the point of intersection of the easterly right-of-way of Wales Avenue, N.E. and Hills and Dales Road N.W. extending northeast approximately 1,385 feet to a point of intersection of the easterly right-of-way of Arronwood Avenue, N.E. and including the entire width of Hills and Dales Road, N.W.

Wales Avenue, N.E.

Beginning at the point of intersection of the southerly right-of-way of Providence Road, N.E. and Wales Avenue, N.E. and extending northeast and north approximately 2,645 feet to a point of termination being the City of Massillon corporation limit and including the entire width of Wales Avenue, N.E.

Providence Road, N.E.

Beginning at the point of intersection of the westerly right-of-way of Wales Avenue, N.E. and Providence Road, N.E. and extending northwest approximately 990 feet to a point of intersection of the southerly right-of-way of Lennox Avenue, N.E. and including the entire width of Providence Road, N.E.

Burd Avenue, N.E.

Beginning at the point of intersection of the westerly right-of-way of Wales Avenue, N.E. and Burd Avenue, N.E. and extending west approximately 1,370 feet to a point of intersection of the easterly right-of-way of Stockton Road, N.E. and including the width of Burd Avenue, N.E.



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Coventry Road, N.E.

Beginning at the northerly right-of-way of Providence Road, N.E. and Coventry Road, N.E. and extending northeast approximately 500 feet to a point of intersection of the southerly right-of-way of Lennox Avenue, N.E. and including the entire width of Coventry Road, N.E.

Beginning at the northerly right-of-way of Lennox Avenue, N.E. and Coventry Road, N.E. and extending north approximately 465 feet to a point of intersection of the southerly right-of-way of Burd Avenue, N.E. and including the entire width of Coventry Road, N.E.

Beginning at the northerly right-of-way of Burd Avenue N.E. and Coventry Road, N.E. and extending north approximately 180 feet to a point of termination being the City of Massillon corporation limit and including the entire width of Coventry Road, N.E.

Lennox Avenue, N.E.

Beginning at the northwesterly right-of-way of Wales Avenue, N.E. and Lennox Avenue, N.E. and extending northwesterly and westerly approximately 1,160 feet to a point of intersection of the westerly right-of-way of Providence Avenue, N.E. and including the entire width of Lennox Avenue, N.E.

Springhaven Circle, N.E.

Beginning at the point of intersection of the southeasterly right-of-way of Wales Avenue, N.E. and Springhaven Circle N.E. and extending southeast approximately 570 feet to a point of termination being the southeast property line of Lot No. 14344 in the City of Massillon fka Lot 30 in the Springhaven Allotment, P.I.D. No. 0615899 and including the entire width of Springhaven Circle, N.E.

Bramblewood Circle, N.E.

Beginning at the point of intersection of the westerly right-of-way of Ledgewood Boulevard, N.E. and Bramblewood Circle, N.E. and extending westerly and northerly approximately 980 feet to a point of termination being the south property lines of Lot No. 14431 in the City of Massillon, P.I.D. No. 0616165 and Lot No. 14431 in the City of Massillon, P.I.D. No. 0616164 and including the entire width of Bramblewood Circle, N.E.

Olivewood Circle, N.E.

Beginning at the point of intersection of the northerly right-of-way of Bramblewood Circle, N.E. and Olivewood Circle, N.E. and extending North approximately 340 feet to a point of termination being the southerly property lines of Lot No. 14419 in the City of Massillon, P.I.D. No. 0616153 and Lot 14418 in the City of Massillon, P.I.D. No. 0616452 and including the entire width of Olivewood Circle, N.E.



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Greenridge Road, N.E.

Beginning at the point of intersection of the southerly right-of-way of Bramblewood Circle, N.E. and Greenridge Road, N.E. and extending south-southwest approximately 470 feet to a point of intersection of the northerly right-of-way of Oakbluff Circle, N.E. and Ossglen Circle, N.E. and including the entire width of Greenridge Road, N.E.

Parcel Numbers 0680397, 0680211, 0680212 and 0680213

And containing 15.76 acres of land, more or less.